**HON'BLE SHRI G.S.SINGHVI, THE CHIEF JUSTICE**

**AND**

**HON'BLE SHRI JUSTICE G.BHAVANI PRASAD**

**WRIT APPEAL No.2299 of 2005**

Between:

Pilli Venkataramana & another. …Appellants.

AND

M/s. Chetana Laminates Pvt. Ltd.

rep. by its Managing Director Sri S.G.

Prashant Kumar & another. …Respondents.

**:: JUDGMENT ::**

Counsel for the Appellants : Sri K.G. Krishna Moorthy

Counsel for Respondent No.1 : Smt. Hema Jaiswal

Counsel for Respondent No.2 : Sri Y.N. Lohitha

**22nd FEBRUARY 2006**

**Per G.S.Singhvi, C.J.**

This appeal is directed against order dated 7-11-2005 passed by the learned Single

Judge whereby he disposed of Writ Petition No.23102 of 2005 filed by respondent No.1, and quashed the sale of its property.

The appellants claim that they had purchased the property in the sale conducted by Andhra Pradesh State Financial Corporation (for short 'the Corporation') on October 5, 2005. Their grievance is that even though the sale had been confirmed by the Corporation on 15-10-2005 and respondent No.1 was aware of this fact, it did not implead them as party respondents in the writ petition and the learned Single Judge cancelled the sale without hearing them.

Learned counsel for the appellants argued that the order under challenge should be quashed on the ground of violation of the rules of natural justice because they were not impleaded as party respondents to the writ petition filed by respondent No.1 and, on the account, they did not get opportunity of hearing.

Learned counsel for the respondent fairly admitted that the appellants were not impleaded as parties to the writ petition. He, however, tried to justify the same by saying that his client did not know about the identity of the appellants.

In our opinion, the order under challenge is liable to be set aside on the ground of violation of the rule of audi alterem partem. The facts brought on the record of the appeal shows that respondent No.1 had instituted writ petition on 26-10-2005 i.e., eleven days after confirmation of sale of the property in question. The Corporation had kept respondent No.1 informed about the sale proceedings. Therefore, it is not possible to believe that respondent No.1 did not know that its property had been sold by the Corporation and the same had been purchased by the appellants. Even if respondent No.1 had any doubt about the identity of the purchaser, the same became clear from the averments contained in the counter affidavit filed by the Corporation (respondent No.2 herein). Notwithstanding this, respondent No.1 did not take steps to implead the purchasers as party respondents. Unfortunately, the learned Single Judge overlooked this defect in the constitution of the writ petition and granted various reliefs including cancellation of sale.

In our opinion, the order under challenge suffers from a fundamental defect of violation of the basic rule of natural justice i.e., audi alterem partem, and on that ground alone the same is liable to be set aside.

In view of the above conclusion, we do not consider it necessary to go into the other

issues raised in the memo of appeal.

In the result, the appeal is allowed. The order of the learned Single Judge is set aside and Writ Petition No.23102 of 2005 is remitted to the Single Bench for fresh adjudication with liberty to the writ petitioner (respondent No.1 herein) to take steps to implead the appellants herein as party respondents.

As a sequel to the disposal of the main appeal, all the miscellaneous petitions are disposed of as infructuous.

**G.S. SINGHVI, C.J.**

22nd February, 2006.

**G.BHAVANI PRASAD, J.**

ARS